


MARICOPA COUNTY  HUMAN SERVICES DEPARTMENT Workforce Development Division	SECTION/REFERENCE 29 CFR 95.24; 29 CFR 97.25	PAGE 1 OF 2
	ORIGINAL ISSUE DATE September 2010	REVISION DATE June 2013
	AUTHORIZED BY: Patricia Wallace, Assistant Director	
SUBJECT: Program Income Policy		ADDENDA: Monthly Summary of Program Income Earned and Used Report

Purpose:

To provide youth contractors and Maricopa Workforce Development Division staff with guidance and requirements regarding program income generated by grant-supported activities during the contract year.

Background:

Program income is generally defined by 29 CFR §97.25. Under the federal guidelines, program income earned as a result of Workforce Investment Act (WIA) funded programs must be identified and used for program-eligible purposes.

Definitions:

Program Income: Program income means gross income received by contractor or sub contractor directly generated by a grant supported activity, or earned as a result of the agreement during the contract period.

Contract Period: The contract period is the time between the effective date of the award and the ending date of the award reflected in the final financial report, as defined by the contract.

Policy:

Generally, subcontractors that provide WIA funded program services to youth do not generate program income. However, when program income is earned on a WIA-funded activity, the following guidelines shall apply:

- Program income that is earned within the contract year shall be expended by the end of the program year that it is earned.
- For programs expected to generate program income, language will be included in the contracts that defines program income and provides terms and conditions under which the program income is to be utilized, accounted for, and reported to Maricopa Workforce Development Division (WDD).
- All program income earned and expended will be reported to Maricopa Workforce Development Division (WDD) on a monthly basis.

Procedures:

1. Contractors are expected to keep detailed records on program income earned and expended. To the extent possible, program income earned and expended must be separately identified in the accounting records, and sufficient supporting records must be retained to support the amounts recorded. Such records shall be

provided to Maricopa Workforce Development Division at the time and in the manner determined in the contracts.

2. Contractors receiving program income are required to submit written monthly program income reports to Maricopa Workforce Development. Such reports shall be in the agreed upon format determined in the contract. If program income is not received in a given month, a written report shall be submitted to Maricopa Workforce Development Division stating to that fact.
3. Program income reports are due to Maricopa Workforce Development Division monthly following the month in which the program income was earned.
4. Maricopa Workforce Development Division will review program income reports for accuracy, completeness, and reasonableness. Copies of the reports will be filed by Maricopa Workforce Development Division in a separate program income file by fiscal year for monitoring purposes. Maricopa Workforce Development Division may request back up documentation supporting the amounts recorded on the program income reports periodically as part of the monitoring process.
5. Contractors must be able to support that program income received was used to offset expenditures incurred under the program. Program income used to offset expenditures shall be reflected on reimbursement requests as a reduction in the amount of reimbursement requested. Documentation supporting the reimbursement request should be sufficient to support the expenditures covered from the program income. Program income will be expensed within the program year earned.

Reimbursement requests will be compared against the program income reports to ensure that the program income received has been properly applied to expenditures prior to drawing down federal funds.